

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6135

BILL NUMBER: HB 1671

DATE PREPARED: Apr 4, 2001

BILL AMENDED: Apr 3, 2001

SUBJECT: Commerce powers of airport authorities.

FISCAL ANALYST: Chris Baker

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill allows the board of an airport authority or an aviation commission to enter into agreements and joint contracts with other boards to promote and encourage aviation related trade, education, or commerce. It also provides that trees sold by a local board of aviation commission or a local airport authority are considered personal property.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) The State could receive a minimal amount of Gross Retail (Sales) tax revenue if it were determined the sale of the trees was sales taxable. It is expected that the sale would be taxable since the sale would constitute an activity beyond the scope of normal government operations of the authority. The amount of sales tax collected would depend on the number of trees sold and the price of the sale.

Gross Retail (Sales) and Use taxes are deposited in the State General Fund (59.03%), the Property Tax Replacement Fund (40%), the Public Mass Transportation Fund (0.76%), the Commuter Rail Service Fund (0.17%), and the Industrial Rail Service Loan Fund (0.04%).

Explanation of Local Expenditures: The provisions of this bill could increase expenditures to an airport authority. Any additional cost incurred by an airport authority for the purpose of promoting or encouraging aviation-related trade or commerce will be done within the budget of the airport authority. Revenue for the operating expenses of an airport authority is generated through a statutorily set tax levy rate.

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue

Local Agencies Affected: Airport authorities.

Information Sources: Department of State Revenue